Date	Closing Figure of Sensex
5.4.2000	4757.06
6.4.2000	4866.73
7.4.2000	5219.20
10.4.2000	5442.86
11.4.2000	5541.54
12.4.2000	5426.82
13.4.2000	5172.13
17.4.2000	4880.71
18.4.2000	4745.47
19.4.2000	4665.81
20.4.2000	4657.42
24.4.2000	4511.05
25.4.2000	4533.99
26.4.2000	4792.95
27.4.2000	4679.63
28.4.2000	4657.55
2.5.2000	4372.22
3.5.2000	4335.29
4.5.2000	4553.92
5.5.2000	4693.88
8.5.2000	4463.40
9.5.2000	4578.49
10.5.2000	4458.40
11.5.2000	4251.36

Wrong deduction of profits from sale of fuel to foreign airlines by IOC and BPCL

5420. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether CAG has recently criticised the tax authorities for allowing a wrong deduction of profits from the sale of fuel to foreign airlines by IOC and BPCL;

(b) if so, whether due to wrong calculation by tax authorities Government have suffered revenue loss of several crores;

(c) if so, the details thereof; and

(d) the responsibility fixed by Government in this regard and the steps taken to recover the amount due to wrong calculation from foreign airlines?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): (a) Yes Sir, the CAG in para 3.1.9(c) of it's report no. 12 of 1999 has raised objection that deductions u/s 80 HHC of the Income Tax Act were wrongly allowed, while processing the returns u/s 143(1)(a) of the Income Tax Act, 1961, in the case of M/s Indian Oil Corporation Ltd. and M/s Bharat Petroleum Corporation Ltd. for the financial year 1994-95 (assessment year 1995-96) resulting in short levy of tax of Rupees 12425.3 lakhs;

(b) and (c) No Sir, there has been no wrong calculation and accordingly no revenue loss. In both cases, *viz.*; M/s Indian Oil Corporation Ltd. (assessment year 1995-96) & M/s Bharat Petroleum Corporation Ltd. (assessment year 1995-96), the returns were processed u/s 143(1)(a) of the Income Tax Act wherein no disallowances (like the one pointed out by CAG in these cases) could be made by the assessing officer with regard to any debatable issue. The section 143(1)(a) has no scope of scrutinizing the income tax return filed by the assessee and it allows adjustments only of *prima facie* nature. At the time of finalisation of scrutiny assessments u/s 143(3) of the Income Tax Act 1961 the necessary disallowances were made by the assessing officer in both the cases and taxes have been collected. No excess allowances were allowed to the assessee.

(d) Does not arise.

Municipal taxes on Central Government properties in States

5421. SHRI R. S. GAVAI: Will the Minister of FINANCE be pleased to state:

(a) whether the Central Government have received suggestions from State Government for amendment in Central Government Legislation which provides for waiver of Municipal taxes on Central Government properties located in the States;

(b) if so, the details thereof; and

(c) the reaction of Government thereto?